

## Message Text

CONFIDENTIAL

PAGE 01 LISBON 00293 121658Z  
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 SSO-00 NSCE-00 SP-02 L-01  
INR-05 INRE-00 CIAE-00 NSAE-00 EB-04 OMB-01  
TRSE-00 IO-06 IGA-01 /043 W  
-----129858 121706Z /44

O R 121632Z JAN 78  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC IMMEDIATE 4345  
AMEMBASSY BONN

C O N F I D E N T I A L LISBON 0293

PASS TREASURY FOR SYVRUD

LIMDIS

E.O. 11652: GDS  
TAGS: EFIN, ECON, EAID, PO  
SUBJECT: AID TO PORTUGAL

REF: BONN 564

1. EMBASSY LISBON AT NO TIME INDICATED TO PORTUGUESE OFFICIALS THAT USG FAVORED SOFTER TERMS FOR PORTUGUESE/IMF AGREEMENT THAN THOSE ENVISIONED BY THE FRG; NOR HAVE WE SUGGESTED THAT DISBURSEMENTS OF USG BALANCE OF PAYMENTS LOAN MIGHT, GIVEN A DETERIORATION IN PORTUGAL'S FOREIGN EXCHANGE POSITION, BE ADVANCED.

2. EMBASSY UNDERSTANDS THAT A SLIGHT DIFFERENCE DOES NEXIST IN THE POSITIONS OF USG AND FRG RELATIVE TO PORTUGAL CONCLUDING AN IMF AGREEMENT. DRAFT AGREEMENT FOR USG \$300 MILLION BALANCE OF PAYMENTS LOAN PROVIDES THAT INITIAL DISBURSEMENT CAN BE MADE ONCE USG RECEIVES LETTER FROM MANAGING DIRECTOR OF THE IMF STATING THAT NEGOTIATIONS WITH PORTUGAL FOR A SECOND TRANCHE STANDBY ARE "PROCEEDING IN GOOD FAITH." EMBASSY  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LISBON 00293 121658Z

UNDERSTANDS, ON THE OTHER HAND, THAT FRG WILL BEGIN DISBURSING ITS LOAN ONLY AFTER GOP HAS CONCLUDED, AT LEAST IN PRINCIPLE, ITS AGREEMENT WITH IMF. IN ANY CASE, FRG DISBURSEMENT WOULD NOT OCCUR MORE THAN 30 DAYS PRIOR TO FORMAL SIGNATURE OF AGREEMENT.

3. PORTUGUESE OFFICIALS MENTIONED REFTEL MAY HAVE COMMITTED

HONEST MISTAKE IN EXAGGERATING THESE DIFFERENCES. THEY  
MAY, HOWEVER, HAVE EXAGGERATED THE DIFFERENCES PURPOSELY  
IN AN ATTEMPT TO PRESSURE FRG TO ADVANCE DISBURSEMENT  
OF ITS LOAN.  
OKUN

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, BALANCE OF PAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 jan 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LISBON00293  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780018-0815  
**Format:** TEL  
**From:** LISBON  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780169/aaaacgjr.tel  
**Line Count:** 67  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** d738fce3-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** 78 BONN 564  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 19 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3783127  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AID TO PORTUGAL  
**TAGS:** EFIN, ECON, EAID, PO  
**To:** STATE BONN  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/d738fce3-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014